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Supreme Court of the United States

OCTOBER TERM, 1977

No. 77-1658

JAMES R. CRICCHI,

Petitioner,

vs.

CHARLES T. NABER and GEORGE C. LOCKWOOD,

Respondents.

BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

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INTRODUCTION

This is a straightforward patent interference to determine which of the two parties, Cricchi of Westinghouse Electric (Cricchi) or Naber et al. of NCR Corporation (Naber), is the first inventor of an improvement in an already-existing electronic device known as an MNOS transistor. The CCPA found that Cricchi failed to meet his burden of establishing "reasonable diligence" throughout a fifteen-month "critical period" and reversed the

decision of the Board of Patent Interferences awarding priority to Cricchi (App. 7a, 9a).•

The "Questions Presented" in the petition under the untenable guise of decisional conflict and "[u]npredictable vacillations concerning the standard of CCPA review" are founded upon misconstructions of the record and mischaracterizations of the CCPA's holdings. The only issue here is the routine one of whether the CCPA correctly held that the Board of Patent Interferences erred in finding that Cricchi met his burden of proving "reasonable diligence". Such issue of fact needs no further review or resolution by this Court.

• Abbreviations employed:
"P.—" - refers to Cricchi's Petition for a Writ of Certiorari, Page No. —.
"App.—" - refers to the Appendix to Cricchi's Petition for a Writ of Certiorari, Page No. —.
"N.App.—" - refers to Naber's Appendices to this Opposition, Page No. —.

REASONS FOR DENYING THE PETITION

Naber opposes the petition and submits that there are no special and important reasons for granting it. More specifically, the petition should be denied for the following reasons, each of which is briefly discussed hereinafter:

1. The CCPA's decision is manifestly correct.
2. There is no conflict of decisions.
3. There is no departure from the accepted and usual course of judicial proceedings.
4. There is no substantial public interest or question of widespread importance presented; only private interests are at stake.
5. Cricchi is improperly seeking a trial de novo before this Court.

1. THE CCPA'S DECISION IS MANIFESTLY CORRECT

As postured by the decisions below, Cricchi, the junior party, was first to conceive the invention and last to reduce it to practice, the respective dates of the parties being as follows:

Party	Date of Conception	Date of Reduction to Practice	Date of Filing for Patent
Cricchi	10/22/69	9/28/71	1/20/72
Naber	6/70	7/25/70	12/3/70

In this factual context and pursuant to 35 U.S.C. § 102(g), even though Cricchi was first to conceive, he can prevail only if he also establishes "reasonable diligence" from just prior to Naber's conception (6/70) to his own purported reduction to practice (9/28/71), a fifteen-month

critical period. *Hull* v. *Davenport*, 90 F.2d 103 (CCPA 1937); *Morway et al.* v. *Bondi*, 203 F.2d 742 (CCPA 1953).

Cricchi conceded below that he could have reduced the invention to practice when he conceived it (10/22/69). Notwithstanding, he admitted that actual work on the invention did not start until October 1970—a year later and **four months after the critical period started.** The CCPA found that Cricchi failed to satisfy the requirement of "reasonable diligence" during this initial gap of four months and also during the subsequent eleven months of the critical period.

No "Reasonable Diligence" During The Initial Four-Month Period

For his alleged diligence during this initial four-month period, Cricchi relies on research and development (R&D) work directed to improving MNOS fabricating techniques. Cricchi's reliance on this R&D work is ill-founded on two grounds. First, the R&D work, whenever it did occur, did not involve the construction or testing of the device of the counts and is not otherwise linked thereto. Second, Cricchi failed to provide any evidence that any of the R&D work was carried out during the initial four months of the critical period.

To the extent that R&D work did occur, it started long **before** Cricchi conceived the invention and was not completed until long **after** he reduced it to practice. It covered a time span of at least six years (App. 7a). The R&D work was of general applicability to all MNOS devices (App. 7a). Westinghouse had many other MNOS devices under development at the time. No contemporaneous evidence establishes a link between the continuation of the generalized R&D work during the four-month period (if it

occurred) and a reduction to practice of the device at issue, as more fully argued below (*e.g.*, N.App. 20a-21a).

In his petition Cricchi attempts to foster the false scenario that Westinghouse's R&D "work on improving a fabricating technique" was being carried out so that he could manufacture "a satisfactory device embodying the invention" (P. 3). This is attorney argument which is not supported by the record. Cricchi is improperly presenting an early portion of Westinghouse's R&D program of general MNOS applicability as an integral part of a later effort to reduce his particular MNOS invention to practice.

If Cricchi were permitted to fill lapses and gaps in his activity on a particular invention with such generalized R&D work, it would in effect provide Westinghouse with a "'reservoir of 'reasonable diligence'" (App. 7a). The same R&D work could then be used over and over again to establish reasonable diligence on each and every MNOS device which Westinghouse conceived during the six-year period. Cricchi could have done nothing on the invention in issue for six years and still claim that he was reasonably diligent in reducing it to practice.

Cricchi argues in effect that so long as he considers extraneous work necessary to achieve satisfactory commercial goals of his own personal determination, he should be excused from reducing the invention to practice even though he is completely capable of so doing. Implicit in this argument is a subjective standard of reasonable diligence totally determined by the mental attitude of a party. Cricchi's standard is unworkable and untenable, as more fully argued below (*e.g.*, N.App. 22a-24a).

But even if Cricchi were allowed to count generalized R&D work as part of his alleged reasonable diligence, his **record** is devoid of any evidence of any R&D work, general or specific, during the initial four months of the critical period. As proof of continuity of activity during the initial four-month period, Cricchi previously relied solely upon time card records, which bore no description of the underlying work, and his uncorroborated testimony as to the activity covered by the time charges. Otherwise, the evidence adds up to zero, *i.e.*, no documents, no physical exhibits and no testimony of any kind disclosing any specific acts on any specific dates by any specific individuals during the entire four-month period.

As to the time card records, suffice it to say that they were misrepresented below and the CCPA took particular note of the contradictions (App. 7a-9a). They now stand discredited as having any probative value in these proceedings and Cricchi has dropped all reliance thereon before this Court, as he must. Without his time card records during the first four months, Cricchi has no evidence whatsoever of any activity on the R&D program or anything else.

In his petition, Cricchi attempts to foster the impression that the only issue as to this four-month period is whether R&D work of general applicability can properly be counted as part of his diligence story as to a particular invention. Assuming, arguendo, that such work can be counted, Cricchi ignores the fact that he still had the affirmative burden of establishing that at least the R&D work was being carried out with reasonable diligence during that four-month period. On this point the record is devoid of evidence; there is only attorney argument.

In fact, in view of the total lack of such evidence, the issue as to whether R&D work of general applicability in the present factual context can properly be counted towards diligence is moot and need never be reached by this Court.

No "Reasonable Diligence" During The Subsequent Eleven-Month Period

During the subsequent eleven-month period, Cricchi and his associates did perform certain acts which purportedly led to a reduction to practice on September 28, 1971, fourteen months after Naber reduced the invention to practice and almost ten months after Naber filed for patent protection. But there were lengthy lapses and gaps in Cricchi's proofs throughout this period which Naber repeatedly pointed to in the proceedings below and Cricchi steadfastly ignored (*e.g.*, N.App. 18a). Instead, Cricchi papered them over with his time card records, i.e., Cricchi Exhibit 100, to create a facade of reasonably continuous activity. The Board's decision in his favor was bottomed on this misleading facade (App. 22a).

After the CCPA found that the time card records were not what they were represented to be (App. 8a), Cricchi abandoned any reliance thereon and adopted a new approach. In his petition for rehearing before the CCPA, he contended for the first time that at least during the subsequent eleven-month period ". . . Reasonable Diligence . . . is Shown Independent of Time Cards . . ." (N. App. 2a). Rehearing denied, he now attempts to fault the CCPA for failing to have independently examined the record and discovered and developed such new approach ab initio. A litigant can not impose such burden on a court. In reversing the Court of Appeals for the Seventh Circuit, in *Farmer's Guide Co.* v. *Prairie Co.*, 293 U.S. 268

(1934), this Court noted that the respondents had the opportunity to show that the decision below was otherwise right and should be affirmed, although originally given on untenable grounds. This the respondents failed to do and the Court disavowed itself of any obligation to do so, stating (p. 281):

> ". . . we will not examine the record to discover grounds to sustain it. . . ."

Moreover, a careful consideration of the record in the light of Cricchi's new approach reveals that even his new approach is fatally deficient in establishing reasonable diligence. This is apparent from consideration of Cricchi's petition for rehearing before the CCPA (N.App. 1a-14a) and Naber's response thereto (N.App. 15a-25a). Quite properly, the CCPA found that Cricchi had not satisfied his burden of proving "reasonable diligence" during the subsequent eleven-month period also.

2. THERE IS NO CONFLICT OF DECISIONS

Cricchi seeks to conjure up a conflict between the CCPA's decision and the decisions of other Circuits and its own precedents. The alleged conflicts are based on mischaracterizing the CCPA's holdings in this case and ignoring important factual distinctions.

For example, Cricchi represents that the CCPA has here ruled that R&D work did not "qualify as 'reasonable diligence' because it was 'needed to produce a commercially acceptable device. . . .' (App. 7a)" (P. 12), and that "work directed to a 'commercially-acceptable device' does not constitute diligence (App. 7a)" (P. 14). He thus seemingly creates an "irreconcilable conflict" with other decisions, particularly that of the Third Circuit in

Bell Telephone Laboratories v. *Hughes Aircraft Co.*, 564 F.2d 654 (3 Cir. 1977), affirming 422 F.Supp. 372 (D.Del. 1976), *cert. denied* 197 USPQ 448 (March 20, 1978).

But a fair reading of the CCPA decision herein (App. 1a-9a) reveals that Cricchi is presenting portions of it out of context and that **the CCPA made no such rulings**. Instead, it held that in the present factual context R&D work at Westinghouse which was "generally applicable to all MNOS devices did not satisfy the requirement of 'reasonable diligence' on the part of Cricchi" (App. 7a).

"Reasonable diligence" is largely a fact issue and the decisions turn upon their own respective facts. In *Bell,* for example, the invention related to a process for making a semi-conductor device, not the device itself, as here. Unlike the present case, the Bell inventors commenced actually reducing the invention to practice immediately after conception. They constructed the device by the claimed process but encountered certain problems in so doing. They then directed their attention to solving these problems and the Court found that these efforts constituted part of Bell's reasonable diligence. It was a continuous effort from start to finish.

In contrast, Cricchi's situation represents an after-the-fact attempt to present a portion of an R&D program of general applicability as an integral part of a belated effort to reduce a particular invention to practice. The R&D work could not have been an outgrowth of the effort to reduce Cricchi's invention to practice. It was started almost a year before conception.

Whether in the light of the particular facts of *Bell* the Third Circuit decision in that case is correct is not rele-

vant here. The facts are very significantly different. No conflict as to the law, however, has been established. The only **apparent** conflict between *Bell* and the present case arises from Cricchi's misconstruction of the CCPA's holdings herein.

Cricchi cites four cases to support the argument that the Court of Appeals for the District of Columbia subscribes to a rule diametrically opposed to that adopted in the present case, *i.e., Woods* v. *Poor,* 29 App. D.C. 397 (1908), *Kitchen* v. *Smith,* 39 App. D.C. 500, 502 (1913), *Sargent* v. *Vetter,* 48 App. D.C. 582 (1919), and *Abbott* v. *Shepherd,* 135 F.2d 769, 770 (D.C. App. 1942). But taking into consideration the important factual distinctions, the CCPA decision herein is completely reconcilable with these cases.

Cricchi asserts that the CCPA's present decision goes beyond the precedents cited by the CCPA. He fails, however, to particularize his assertion. Naber submits that taking into consideration the important factual distinctions, the present decision is fully in harmony with these precedents.

Cricchi also broadly asserts that the CCPA's present decision "conflicts with at least some CCPA decisions", *i.e., Clancy* v. *De Jahn,* 36 F.2d 131 (CCPA 1929), *Watkins* v. *Wakefield,* 443 F.2d 1207, 1209, 1210 (CCPA 1971), and *Reinhart* v. *Coursen,* 458 F.2d 516 (CCPA 1972). Cricchi also fails to particularize this assertion. Again, Naber submits that taking into consideration the important factual distinctions, the present decision is fully reconcilable with these cases also.

3. THERE IS NO DEPARTURE FROM THE ACCEPTED AND USUAL COURSE OF JUDICIAL PROCEEDINGS

Cricchi suggests,

> ". . . that the CCPA no longer considers itself bound by the accepted and usual standards of judicial review." (P. 19)

Cricchi's contention is based on the allegation that once the CCPA stripped away Cricchi's discredited time charge records, on which Cricchi had previously relied to establish continuity of effort, it disregarded the Board's summary of testimony supporting the holding of diligence. But the Board's decision was predicated on the "reasonably continuous activity" apparently (but not actually) established by Cricchi's since-discredited time charge records, i.e., Cricchi Exhibit 100 (App. 22a). Without the time charge records, the Board itself could not have found that Cricchi was reasonably diligent.

It should also be recognized that the five-judge bench of the CCPA is in just as good a position to review a record as a three-member board of an administrative tribunal. The Rules of Practice of the Patent and Trademark Office do not provide for the appearance of live witnesses before the Board of Patent Interferences, and none did appear. Thus the Board, as well as the CCPA, evaluated the testimony of witnesses, based upon transcripts thereof.

This is not a situation wherein the admonition of Rule 52(a), Fed.R.Civ.P., that "due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses" is applicable. The CCPA had exactly the same record before it as the Board. Upon review of

that record it became manifest to the CCPA that the decision of the Board was clearly erroneous.

4. THERE IS NO SUBSTANTIAL PUBLIC INTEREST OR QUESTION OF WIDESPREAD IMPORTANCE PRESENTED; ONLY PRIVATE INTERESTS ARE AT STAKE

This is a routine patent dispute between two parties as to who is the first inventor as to certain subject matter. It is not a question of whether a patent should issue but, rather, who should own it. There is no significant public interest at stake and Cricchi does not allege any.

In fact, to a minor degree the public interest is best served by the present disposition of the litigation. The dispute involves Naber's patent, which issued March 6, 1973, and Cricchi's pending application. The Naber patent will expire in less than twelve years. If this Court were to reverse, Cricchi's application would issue as a patent at some future date and would not expire until seventeen years thereafter. This would impose upon the public domain a much longer period of exclusion.

5. CRICCHI IMPROPERLY SEEKS A TRIAL DE NOVO BEFORE THIS COURT

Cricchi is, in effect, seeking a trial de novo of his new approach before this Court, his old approach being based upon the discredited time charge records to establish reasonable continuity of effort. This is evident from a comparison of his briefs below and his present petition. While space limitations prevent such comparison herein, suffice it for the present to consider only one illustration.

In his petition Cricchi calls particular attention to two physical exhibits, CX III-1 and CX III-2 (P. 7, 21). He

singles out these two exhibits and characterizes them as being "particularly important" (P. 7). In his six briefs below*, however, CX III-1 was never mentioned and CX III-2 was mentioned only once—and that passing mention occurred in Cricchi's recent petition for rehearing before the CCPA (N. App. 4a).

Despite the unwarranted allegations of decisional conflict and departures from the customary standard of judicial review, the petition actually seeks review of Cricchi's new approach to a record fatally lacking in probative evidence of "reasonable diligence" in the hope that this Court might possibly reach a different conclusion. As stated in *Magnum Co.* v. *Coty*, 262 U.S. 159, 163 (1923):

> ". . . The jurisdiction [of the Supreme Court to review cases by way of certiorari] was not conferred upon this Court merely to give the defeated party . . . another hearing. . . ."

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* The six "briefs" are as follows: "Final Hearing Brief on Behalf of the Party Cricchi", September 25, 1975; "Reply Brief on Behalf of the Party Cricchi", December 18, 1975; "Response to Naber et al Petition for Reconsideration", October 13, 1976; Cricchi's "Response to the Rejoinder Brief by Naber et al", November 3, 1976; "Brief for Appellee", August 11, 1977; and "Petition for Rehearing on Behalf of Appellee Cricchi", January 24, 1978.

CONCLUSION

The petition presents no special and important reasons why a writ should issue. Cricchi has not demonstrated that this case involves any of the considerations governing review on certiorari as contemplated in Supreme Court Rule 19, despite the strained efforts to give such appearance. The petition should be denied.

Respectfully submitted,

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Appendices

APPENDIX A

UNITED STATES COURT OF CUSTOMS
AND PATENT APPEALS

PATENT APPEAL NO. 77-556

CHARLES T. NABER and GEORGE C. LOCKWOOD,
Appellants,

vs.

JAMES R. CRICCHI,
Appellee.

PETITION FOR REHEARING ON BEHALF OF APPELLEE CRICCHI

This petition is filed to enable the Court to reconsider its Decision* of December 22, 1977 and to affirm the Board's priority award to Cricchi. This Court held that (1) the layer deposition technique work was not "required" in order to reduce the invention to practice because it was not "directly related to" a reduction to practice of the invention (D 5, 6, 10) and (2) the time cards and Cricchi's testimony about the work done toward the completion of the "834" projects from October 1970 to September 1971 was uncorroborated (D 11).

---

* Hereinafter referred to as "Decision" or "D" followed by a page number.

It is respectfully submitted that the Decision failed to consider and is in conflict with controlling authorities with respect to the first of its holdings (D 6-10), and that the second holding (D 10-12) misapprehends a massive and well-corroborated record of diligence.

A. Contrary to Holding No. 2, Reasonable Diligence During the Period from October 1970 to September 1971 is Shown Independent of Time Cards and Cricchi's Testimony Relating to Time Cards

The following is a summary of the work leading to the reduction to practice of the invention in the 893 metering subsystem chips on September 28, 1971 (Space limitations do not permit a detailed, discursive presentation of the facts):

10/23/70 Mask set number 834 entered in log book (CX18; R593). Spicer started work on 834 mask set within "a day or two" (R575 of 10/23/70; normally took him 10 weeks (R564) to complete his work on mask (steps 1-4 on CX101; R576). Lancaster testified *May 1 date for completion of the 834 mask making process was reasonable* (R600).

11/30/70-4/21/71 Britton ordered parts for the Breadboard of the metering subsystem (CX2, 4, 5, 6, 7, 8, 9, R392-404).

1/10/71 Lancaster's job summary 1/10/71 (CX17) shows 834 mask set was at step 6 (CX101; R596).

1/25/71 Lancaster (R601) filled out instruction sheets for step 8 of the 834 mask making process (CX21, 22). Step 8 had not been completed at that time. Estimated step 8 in the 834 set process completed on Feb. 11, 1971 (R596).

3/1/71 Cricchi prepared block and wiring diagrams for metering system breadboard (CX24, 25; R235, 236).

3/2/71 Lancaster made diagram (CX27) of test pattern on 834 wafer (R602); before step 9 of process (CX101, R603).

3/9/71 Request for revisions in 834 mask set (CX29).

3/15/71 Lancaster filled out correlation form (CX30) for 834 mask set and prepared CX31 list (R605).

3/19/71 Spicer initialed instruction sheet (CX34) for operator of reduction camera (R565) re 834 mask series.

3/24/71-6/28/71 Westinghouse Mask Inspection Log CX 106 shows masks of the 834 series were inspected in 1971 on 3/24; 4/12, 14, 15, 16, 19, 20, 22 and 28; 5/5, 6 and 6/16, 28.

3/29/71 Cricchi completed Electrical Test Specification for Metering Subsystem (CX40).

4/6/71 Lancaster prepared list of test pattern levels for 834 (CX36).

4/8/71 Ames made entries in his contact printing log book (R610; 664-666; CX20, 38) on 4/8, 12, 13, 14, 15 and 20, 1971 relative to his work on submaster and final working plates in 834 mask series.

5/5/71-5/11/71 Ruehling identified CX42 as being the first 834 process sheet (R455, 488-499) which was used in fabricating the first lot of 834 memory arrays from the 834 mask set.

5/12/71-5/13/71 Cricchi prepared layout drawings for metering subsystem (CX39, 41).

5/14/71 Cricchi prepared Progress Report #2 (CX35) on metering subsystem.

5/28/71 Cricchi performed tests on 834 memory array (CX59).

6/3/71-6/9/71 Ruehling and Cricchi performed tests on 834 wafers (CX45, 67).

6/10/71 Ruehling made process run sheet (CX47) for second lot of 834 wafers (R464).

6/12/71-7/11/71 Cricchi made layouts (CX48, 49, 54, 55, 56) for metering subsystem. Spicer confirmed drawings given to him by Cricchi "to generate a mask set" for 893 (R568).

7/7/71 Cricchi wrote to Britton (CX1) enclosing 10 of the 834 arrays "for your 10 stage breadboard." Britton confirmed receipt of 834's (R416).

7/7/71 Britton worked on 893 breadboard (CXIII-2) until middle of August (R418-19).

8/5/71 Lancaster's log book entry for 893 mask set is between 6/21/71 and 8/5/71 (R609).

8/15/71 After Britton completed his breadboard (middle of August) he completed construction of the chip tester used to test the 893 metering system chips (R419, 441-445). Confirmed by Cricchi trip report (CX11) which states "The purpose of this trip was to deliver and test Metering Subsystems prototypes using the Subsystem Tester built by J. Britton."

8/20/71 By 8/20/71 the photographic masks for the 893 chip were complete (R261-62, CX61).

8/31/71-10/1/71 Log CX106 shows masks of the 893 series were inspected in 1971 on 8/31; 9/1, 2, 3, 9, 10, 14, 15, 17, 20, 21, 22, 24, 27 and 30; and 10/1.

9/71 In September Cricchi made measurements on the 893 metering subsystem chips Lot 01 (R263, CX65).

9/2/71 Cricchi identified (R263) the sixth level mask (CX 66) of the 893 mask set, dated 9/2/71, as containing instructions for the Inspection Department.

9/7/71 Ruehling conducted tests on the 834 (R466, 467) and prepared test curves (CX67).

9/28/71 Britton confirmed (R423-425) tests by Cricchi in Raleigh on the metering subsystem prototype chips, i.e. Cricchi's reduction to practice.

The above summary clearly shows that Cricchi did present "documentary evidence showing specific acts at specific times" (D 11) in the time period October 1970 to September 1971.

B. Holding No. 1 is Contrary to Established Law

I. Pertinent Precedents

35 USC §102(g) speaks of "reasonable diligence" without mentioning the objective of such diligence. However, it is well accepted that the objective must be the same as that referred to in predecessor statutes, namely, "diligence in adapting and perfecting the [invention] . . ." Federico, "Commentary on the New Patent Act," 35 US CA pp. 55, 56. The statutory policy of rewarding an inventor for diligence in "adapting and perfecting" his invention is defeated by penalizing Cricchi for not immediately reducing to practice a "laboratory curiosity" (R 358). As held in *Saurer* v. *Groebli,* 1917 C.D. 160, 162, 45

App. D.C. 298 (1916) "an inventor is to be commended, rather than criticized, for fully perfecting the details of his invention before filing an application, and [acting] . . . in good faith in perfecting it . . ."

The object of diligence must be a concrete reduction to practice which is tested to the inventor's satisfaction, under actual or simulated working conditions, in its intended environment. There can be no reduction to practice unless the test results are "satisfactory" to the experimenter, *James* v. *Clayton,* 90 F. 2d 337, 339 (CCPA 1937). The inventor must so test his product "as to bring conviction at least to him that the product has utility within the meaning of the patent laws and is of such value as to warrant a patent grant," *Muskat* v. *Schmelkes,* 140 F. 2d 984, 989 (CCPA 1944). A "mere model or experiment" will not suffice for reduction to practice, *Birmingham* v. *Randall,* 171 F. 2d 957, 959 (CCPA 1949). Subjective judgment being crucial for a successful reduction to practice, it must be even more crucial and removed from second guessing in the selection of the path toward reduction to practice. The pertinent law was well summarized in Kreek, "Proof of Priority of Invention in Patent Interferences," 35 JPOS 551, 559, 560 (1953):

> "The degree and character of testing depend on many circumstances such as the ultimate use to which the device is to be put, whether or not it is in the nature of a safety device, its complexity, etc. In many instances tests under actual service conditions are required." [Footnote omitted]
>
> "In any event, if the inventor is not satisfied with the performance of the device as a result of test, it can scarcely be held to have been reduced to practice. Sometimes this may work to the disadvantage of one who has designed a device for a use requiring a high degree of accuracy whereas his opponent may have only sought an ordinary use. Even if the device which was designed for the accurate duty would have performed satisfactorily in the less exacting situation, if the device was never tested in the less accurate use, the unsuccessful testing under the more rigid condition would not be sufficient to establish a reduction to practice." [Footnote omitted]

Alleged diligence consequently must be evaluated in the context of the objectives the inventor intended to achieve and by reference to the environment in which his invention was intended to function. Intended objectives and environment are crucial, even if they are not reflected in the issue counts. Thus in *Reinhart* v. *Coursen,* 458 F. 2d 516 (CCPA 1972), neither the parent application nor the issue count mentioned the aging properties of the product invented. Nevertheless, the inventor's inactivity during the product's aging period prior to testing did not negate diligence because "it was reasonable to age the compositions before testing them" 458 F. 2d p. 520.

An inventor may decide to reduce his invention to practice as part of a new plant or a new commercial oil drilling operation, *Clancy* v. *DeJahn,* 36 F. 2d 131 (CC PA 1929), *Watkins* v. *Wakefield,* 443 F. 2d 1207 (CCPA 1971). In such cases the entire construction time of the plant or the oil well counts toward diligence. That is so even though a noncommercial reduction to practice could have been achieved and tested earlier. As stated in the *Watkins* case, 443 F.2d pp. 1209, 1210:

> ". . . we have not lost sight of the fact that the period in question spans more than three months (apparently a rather long time if nothing more than

the relative simplicity of the involved device is considered), nor have we ignored appellants' burden in this proceeding as those who have copied claims from a patent. It is also true, of course, as argued by appellee, that the three-component assembly *could* have been tested earlier on a simulated wellhead. On the other hand, *the involved device was conceived and designed to be used in a rather unique environment as an element of a large and complex installation. That circumstance, in our opinion, constitutes ample justification for foregoing such a test in favor of the far more meaningful procedure of testing the assembly under actual operating conditions.*

"We are satisfied from the record that the Shell Company, appellants' assignee, was diligent throughout the aforementioned period in carrying out the plans for drilling the Naples State 101 well. We are further left with no reason to doubt that the contractor was similarly diligent during that time in completing the equipment to be provided for that operation. [Second emphasis added]

In *Bell Telephone Labs.* v. *Hughes Aircraft Co.*, 191 USPQ 23, 27, 30 (D. Del. 1976)* diligence was found even though the inventor spent much time on a metallization step which was not included in the counts and elected to substitute an experimental metallizing step for a conventional step in the production of silicon-gate field effect transistors. The court specifically pointed out that (p. 31) "work on problems inhibiting commercial utilization of the process should be deemed reasonable diligence . . ."

According to the foregoing authorities, diligence depends upon the objectives, properties and environment

* Hereinafter referred to as the "BTL" case.

which the inventor reasonably envisioned for his invention, regardless of whether all of them are expressed in the issue counts. None of the foregoing authorities were cited in the Decision or in the briefs before this Court. The precedents cited in the Decision do not detract from the above-mentioned legal principles and are rather remote from the present facts as will be shown on pages 9-12 below. The Court's observation (D 7 note 3) that Cricchi could be diligent without attempting to build the simplest device embodying the structure of the counts recognizes the above-mentioned legal principles to an extent which petitioner respectfully submits is far too limited. Petitioner contends that holding No. 1 cannot fairly be reconciled with the above-discussed precedents.

II. The Layer Deposition Technique Work was Necessary to Achieve the Inventor's Objectives.

The Court's holding that improvements in the layer deposition technique practiced at Westinghouse do not count toward diligence completely overlooks the inventor's objectives. The design goals included fast read/write characteristics, resistance to degradation under continual read/write cycling and building a nonvolatile array or matrix of memory devices to test the interaction between devices in the matrix (R359-361, 898).

Devices made by Westinghouse before June 1970 had read/write characteristics one thousand times slower than the objective (CX12-R905)*.

* 100 microsecond pulse (R905 vs. 100 nanosecond pulse (R898).

Layer deposition techniques known at Westinghouse before June 1970 yielded transistors afflicted with severe degradation (R351, 415, CX73). This fact is not refuted by the statement that an earlier Westinghouse device (D 10) operated for "greater than 1000 hours" when "under operating bias" (R905), i.e., with power applied to the device. This statement tells nothing about the operation of that device as a nonvolatile memory, i.e., retention of memory when power is removed from the device, nor does it indicate that the earlier Westinghouse device was capable of continuous read/write cycling without severe degradation. The earlier Westinghouse devices would take continuous read/write cycling at 2Khz for no more than 15 minutes (R415, 416).

The inadequacy of Westinghouse layer deposition techniques in 1969 is beyond dispute. Dr. Kendall, Naber's supervisor, who examined Westinghouse devices "right up to the end of 1969" stated that at that time Westinghouse had not solved "the problem of getting nitride layers of the right electrical conductivity" without which solution you could only make devices "which last for a few hours" (R818-820). He also stated that only after Naber's assignee, NCR, had spent "a year in preliminary research" on "nitride and oxide coatings" was NCR able to make "commercially useable devices" (R820). Plainly it was imperative that Westinghouse catch up with NCR's layer deposition technique which had been perfected at NCR before Naber entered the field.

The testimony of the inventor and his collaborators about development work "necessary" for a "useful device" (R342); about an understanding of such elements of the issue counts as "the nitride thick oxide, and the

nitride thin oxide" structures (R275); and about work required for "the very fast write characteristics . . . we had in mind" (R306) must all be understood with reference to the initial objectives and intended environment and application of the invention.

The steps taken to achieve these objectives between June and October of 1970 were entirely reasonable and included building and testing relatively inexpensive "very simple capacitor structures" (R373); and building separate thick oxide and thin oxide structures and evaluating "them separately" with respect to "tunneling" (R226) in order to "understand the characteristics of each individual element of the structure first" (R272). Projects were undertaken to determine characteristics of both the oxide and nitride layers which resulted in significant conclusions "on the rate and the temperatures of deposition of both oxide and nitride" (R367, 368).

Such development and testing of oxide and nitride layers, which are elements of the counts, capacitor structures and "intermediate work" (R368) should count toward diligence.*

The decision to build an array of memory elements rather than an individual device was also reasonable. Dr. Corak, Cricchi's supervisor, in testifying about the reasons for building an array, stated "We want to test how it operates, what its interactions are with not just a single device, but with other devices of the same type and from our previous experience with Cmos devices, we know that these interactions existed," (R359, 360, see also R373). Naber's first conception document (R883) proposed the

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* BTL case p. 28 note 11 and p. 30.

invention to cure the problem of "drain-substrate breakdown of the 16x16 arrays." According to Cricchi's application (R14) the invention is "particularly suitable for use in parallel memory arrays" because it operates only in "the enhancement mode" (see also R16 lines 3-8).

When the foregoing facts are considered, the spectre of a virtually inexhaustible "reservoir of 'reasonable diligence' " (D 9) disappears. The layer deposition technique work which involved elements of the counts, is relied on only for the first few months of the critical period. Whether layer deposition work done at Westinghouse after October 1970 was reasonable diligence with respect to the present invention is simply not in issue and should not now be decided in the abstract. The fact that the assignees of both Naber and Cricchi had spent a year to improve their respective layer deposition techniques before reduction to practice commenced is the most persuasive evidence of the reasonableness of such work. Petitioner submits that this Court should not brand as "unreasonable" Cricchi's layer deposition technique work between June and October of 1970 merely because the Court is not persuaded by the present record that the extension of such work into 1975 would be reasonable for purposes of the present invention.

III. The Authorities Cited in the Decision are Not Pertinent.

In view of the foregoing facts, the outcome of this interference should be governed by the cases cited (pp. 5 to 8 above) and not by the authorities referred to on pages 6-9 of the Decision. Cricchi did not fritter away his time by trying to improve a commercially available element to be used in combination with the invention as in the *Gunn* case. Westinghouse employees responsible for reducing

the invention to practice did not work mostly on *other* developments as in the *Anderson* case. Their activities were not related to a design not covered by the interference count as in the *Martin* case, insofar as the layer deposition technique needed improvement before there could be a reasonable expectation that the invention would achieve the inventor's objectives and function satisfactorily in its intended environment, namely, a memory array. Westinghouse did not delay its work to prepare a cost estimate as in the *Moore* case. Its work on layer deposition techniques contributed toward embodying the invention in a form which would achieve the intended level of performance and make it useful in the intended environment in contrast to the *Thompson* case in which the inventor tried to perfect an independent element of a combination while failing to test the element defined in the count. Nor is the present case analogous to the *Lichtfield* case in which the drug covered by the issue count was not tested in vivo, while other drugs were so tested. *Goodrich* found a reduction to practice even though further tests were required before the invention could be put into commercial production. That holding does not compel a finding of lack of diligence where the inventor was continuously engaged in development work which he reasonably regarded as necessary for an adequate reduction to practice.

The policy of encouraging the inventor to work toward "perfecting . . . his invention" *Saurer* v. *Groebli,* 1917 C.D. 160, 162, 45 App. D.C. 298 (1916) and the policy of according priority to the inventor having the earliest conception date, *Marconi Wireless Co.* v. *United States,* 320 U.S. 1, 34 (1943), *Fearon* v. *Krasnow,* 172 F. 2d 233, 237 (CCPA 1949) will both be served by awarding priority to Cricchi.

CONCLUSION

Petitioner prays for a rehearing of the instant cause for the purpose of permitting this Court to revise its opinion in conformance with the decision of the Board of Patent Interferences.

Respectfully submitted,

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APPENDIX B

APPELLANTS' OPPOSITION TO PETITION FOR REHEARING

Introduction—Cricchi Belatedly Tries Another Approach To His Discredited Record

Cricchi is really not petitioning for rehearing. Now that his initial approach has failed, Cricchi is improperly asking this Court to hear a different approach, but one still based on his already-discredited record.

Cricchi's previous approach was based primarily on time charge records — a tacit admission that other documents and testimony failed to establish reasonable diligence. Now he presumes that the Court has overlooked his other documents and exhibits and belatedly argues that they establish reasonable diligence independent of the time charge records. But even this argument is addressed solely to the October 1970 to September 1971 period and ignores the fact that there is a total void of any evidence of any specific acts at specific times during the initial four months of the critical period.

Moreover, Cricchi's new facade, based on an itemization of alleged specific acts at specific times (P2-5), is as misleading as the discredited facade created from the time charge records. He includes still other work on matters not involving a reduction to practice of the invention. He alleges dates and activities contrary to the record.

Cricchi concludes with a recitation of ten new "controlling authorities" going back to as early as 1916. He admits that *none* of these "authorities were cited in the

Decision or *in the briefs* before this Court" (P8). From these authorities he erroneously distills a self-serving "*subjective*" standard for determining reasonable diligence. This is an attempt to sell the notion that he should be permitted to withdraw four months of time from his six-year reservoir of "reasonable diligence" created from an R&D program of general applicability and credit the four months toward diligence in this case.

Clearly it is Cricchi, not the Court, who has overlooked and misapprehended the law and the facts. Cricchi's petition should be denied.

Cricchi's Latest Approach Overlooks A Glaring Void In His Record

Cricchi's latest approach, based on a contention that diligence is shown independently of time cards and Cricchi's testimony relating thereto (P1), recognizes that the time record evidence has no probative value. Thus, Cricchi has effectively removed the last vestige of any evidence relating to activity during the first four months of the critical period (June-October 1970).

Excluding the time records and his October 1969 conception document (CX12), Cricchi's next exhibit, chronologically, is CX13, dated October 9, 1970, four months *after* Naber et al.'s entry into the field (June 1970). Neither Cricchi nor any of his witnesses testified as to any specific acts at specific times during the June-October 1970 period.* Thus, the totality of evidence on behalf

* In his petition (P11), Cricchi refers to certain "steps taken . . . *between June and October of 1970*", *e.g.*, "building and testing relatively inexpensive 'very simple capacitor structures' (R373)", etc. Cricchi's supporting record references (P11), however, do not support the contention that these steps were in fact carried out "between June and October of 1970".

of Cricchi during the first four months adds up to zero, *i.e.*, no documents, no physical exhibits and no oral testimony establishing exactly what was done, when it was done or who did it.

In his petition, Cricchi erroneously assumes that the only issue as to this four-month period is whether the R&D program to optimize layer deposition techniques of general MNOS applicability can properly be counted as part of his diligence. To rely on such R&D program during this four-month period, however, Cricchi has the affirmative burden of establishing that at least the R&D work was being carried out with reasonable diligence during that period. On this point the record is devoid of evidence; there is only attorney argument. On this ground alone, Cricchi's petition for rehearing should be denied.

Cricchi's Itemization Of Activity Confirms Lack Of Diligence

In his previous presentations Cricchi created a facade of reasonable diligence from time cards (CX100) and his misleading charts thereof (R1015, 1017).* Now that his time records have been rejected (D10-12), he seeks rehearing on the basis of a hodgepodge itemization of alleged specific acts at specific times (P2-5) which he mischaracterizes as "a massive and well-corroborated record of diligence" (P1).

Initially, it should be noted that the first and earliest item set forth in his itemization is dated "10/23/70" (P2). *This is four months too late!* The critical period started in June, 1970.

* A composite of Cricchi's misleading charts of the time records (R1015, 1017) was reproduced on a 40"x40" board and employed as a visual aid at oral argument by Naber et al.

Cricchi's itemization confirms that the Court did not misapprehend his old facade — the time records. Although more time of Ruehling than that of anyone else was included in the alleged activity on the 834 device from late October 1970 to early May 1971, the Court correctly noted that,

> ". . . he [Ruehling] did not begin working on the '834 device' . . . until May 1971. . ." (D11)

Cricchi's itemization confirms the Court's observation. Ruehling's first appearance occurs under the date entry of "5/5/71-5/11/71" (P3).

In his previous presentations, including oral argument, Cricchi never challenged Naber et al.'s repeated contentions that there were gaps in his proofs (*e.g.*, R1089, 1104, 1109; NBr33, 45-46; NRBr1). He simply papered them over with his time charge records. Even now he does not address the exemplary gaps set forth in Naber et al.'s brief (NBr45-46). But even in attempting to undo the past, his resort to a hodgepodge itemization of events falls far short of covering the gaps.

Hodgepodge Itemization Includes Work On Other Matters

While space limitations do not permit a detailed analysis of dates and events itemized by Cricchi, Naber et al. emphasize that careful scrutiny of Cricchi's itemization reveals that it is no less a misrepresentation of reasonable diligence than the misleading time cards. For example, Cricchi's itemization includes, *inter alia*, much work on things other than devices corresponding to the counts, such as the extensive early work on the metering subsystem breadboard (*e.g.*, P2-3, items dated "11/30/70-4/21/71", "3/1/71", "5/12/71-5/13/71", "5/14/71", etc.).

The metering subsystem breadboard was an apparatus having a nonvolatile memory portion. The early version of the metering subsystem breadboard built shortly after March 1st, 1971 did *not* employ a device of the counts (CX24). In late June of 1971 or early July of 1971, the breadboard was *rewired* to accommodate for the first time the 834 chip incorporating devices of the counts (CX24, 53, R250, 276, 290, 294, 309-311). Yet, all of the work on the breadboard prior to late June 1971 is improperly included in Cricchi's itemization of activity.

Hodgepodge Itemization Alleges Misleading Dates And Activity

Many of the dates alleged in Cricchi's itemization are misleading or contrary to his record. For example, Cricchi alleges:

> "3/29/71 Cricchi completed Electrical Test Specification for Metering Subsystem (CX40)." (P3)

The record reveals, however, that CX40 was prepared and dated "March 29, 19**72**", not "3/29/**71**" (CX40, R240-242, 427).

As another example, Cricchi alleges:

> "5/28/71 Cricchi performed tests on 834 memory array (CX59)." (P3)

The record reveals, however, that Cricchi's work was carried out two months later and that the portion of CX59 representing work by Cricchi is dated **7**/28/71, not "**5**/28/71" (CX59, R255-258, 299-301). Moreover, all of the tests shown in CX59 were performed on test capacitor structures, *not* the 834 memory array itself (R300, 313).

Cricchi's Legal Argument Rests On A Discredited Factual Premise

Implicit in Cricchi's strained attempt to find legal support for including the R&D work on layer deposition techniques during the first four months is a factual premise already discredited herein, namely, that such work was phase one of an integral two-phase program to reduce the invention to practice. It was admitted by Cricchi at the oral argument, however, that the "two-phase" argument was solely "attorney argument" without support in contemporaneous evidence. Thus, Cricchi's legal argument is irrelevant to the actual fact situation herein.

The few of Cricchi's new "controlling authorities" which relate specifically to the issue of diligence involved activity which was an integral part of an effort to reduce the particular invention to practice, actually or constructively. In contrast, there is no contemporaneous evidence that the Westinghouse R&D work on which Cricchi seeks to rely was tied to, or an integral part of, a reduction to practice of the device of the counts.

More specifically, the R&D work was started long before conception and continued long after reduction to practice (R226, 305-306, 374). The work was applicable to any MNOS device (R531). There is no contemporaneous evidence that the continuation of the R&D work during the initial four months of the critical period was specifically for the purpose of providing advanced technology for the reduction to practice. There is no contemporaneous evidence of an express intention during the initial four months to reduce the invention to practice as soon as particular technology goals were achieved by the R&D work. There is no contemporaneous

evidence of the status of the R&D process development program in June 1970, the beginning of the critical period. There is no contemporaneous evidence establishing what R&D results were in fact achieved by October 1970 which could be related to the belated decision to commence the attempt to reduce the invention to practice. To the contrary, the belated decision was apparently made when a commercial need arose (NBr11-13). Thus, Cricchi's new precedents are wholly inapplicable and do nothing to justify Cricchi's attempt to withdraw four months of R&D activity from a six-year reservoir thereof.

The lack of space precludes a specific discussion of each precedent; the lack of pertinence makes it unnecessary. Suffice it to contrast the Cricchi fact situation with that in the most recent case relied upon by Cricchi, *i.e.*, *Bell Telephone Laboratories, Inc.* v. *Hughes Aircraft Co.*, 191 USPQ 23 (D.Del. 1976), affirmed 195 USPQ 695 (3 Cir. 1977), which involves related technology (P8, 11). In *Bell*, the counts were to a *process* for making a semiconductor device, not the device itself. The inventors commenced actually reducing the invention to practice immediately after conception. They constructed the device by the claimed process but encountered certain problems in so doing. They then directed their attention to solving these problems and the Court found that these efforts constituted part of Bell's reasonable diligence. It was a unitary, integral program from start to finish, all directed to reducing the particular process invention of the counts to practice.

Cricchi's situation, however, represents an after-the-fact attempt to palm off an early portion of an R&D process development program of general MNOS applicability as an integral part of a later effort to reduce a particular

invention to practice. The R&D program could not have been part of an integral program to reduce Cricchi's invention to practice. It was started almost a year before conception (R225-227, 341-342, 487).

Cricchi's Subjective Standard For Determining Diligence Is Fraught With Problems And Uncertainty

Cricchi argues,

> ". . . **Subjective** judgment being crucial for a successful reduction to practice, it must be even more crucial and removed from second guessing in the selection of the path toward reduction to practice. . . ." (P6)

He argues in effect that so long as he is dissatisfied with the attainable performance capabilities or so long as he has set performance goals which he personally can not achieve regardless of whether others could, he is excused from reducing a device to practice. He then seeks to credit toward diligence any work thereafter which may decrease his personal dissatisfaction or may directly or incidentally enhance the possibility of achieving the performance capabilities he has set, even though such work may not involve reducing the invention to practice.

Such subjective standard is not the law of reasonable diligence and would create many problems and injustices.* A subjective approach was rejected in *Hudson* v. *Giuffrida*, 328 F.2d 918, 140 USPQ 569 (CCPA 1964). Hudson delayed testing an improvement on the subjective ground that his supervisor would not have been satisfied with the test means then available. Even though the delay was

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* See NBr 30-32 re inherent dichotomies, inconsistencies and double standards.

less than a month, the Court rejected Hudson's subjective justification for the delay, stating (328 F.2d 925):

> ". . . We do not consider as germane to the issue of diligence that such tests would have been *more* significant later on." (Emphasis in original)

In the present controversy, the work on layer deposition techniques started in early 1969, long before Cricchi's conception, and was continuing at least as late as 1975. Cricchi's argument inevitably provides him with the unwarranted six-year reservoir of "reasonable diligence", not only as to the device of the counts but also as to any other MNOS device Westinghouse had under development. Cricchi's record establishes that Westinghouse did in fact have other MNOS devices under development (*e.g.*, CX12, 73). Cricchi could foreclose the field and create injustice just by setting far-reaching, unrealistic goals or being personally dissatisfied over a long period of time.

As to considering "the inventor's objectives" (P9), Naber et al. agree that it is appropriate to consider those set forth in the counts or disclosures of the parties. Here the objectives set forth in both disclosures are essentially the same and are achieved by simply building the structure of the counts.

Cricchi repeats what he has incorrectly argued throughout these proceedings, that the R&D program was required to solve the problem of degradation under continual read/write cycling (P9, 10), a problem *not* reflected in the counts or disclosures. But even this argument overlooks the undisputed fact, established by Cricchi's own record (*e.g.*, CX73, R267-268, 351), that the structure of the device of the counts, not the layer deposition

R&D work, is the primary solution to this problem. Cricchi so admitted (*e.g.*, R1010, 1196, CBr3-4). This design goal of Cricchi was realized when the structure of the counts was belatedly built. If Cricchi had still other goals in mind, not reflected in the counts or the disclosures and not required for a reduction to practice, such subjective thoughts hardly excuse his failure to act promptly to solve the problem of degradation.

Pushed to its limit, Cricchi's subjective standard of diligence would encompass personal goals or objectives hidden in the recesses of an inventor's mind. How could diligence ever be rationally determined under such a standard?

In attempting to denigrate Westinghouse's own capabilities of building MNOS memory devices and justify his own delay in reducing his invention to practice, Cricchi suggests that the Court misconstrued the proposal to the Air Force and that such proposal did *not* indicate that an early Westinghouse device had "a nonvolatile memory, *i.e.*, retention of memory when power is removed from the device" (P9). Cricchi overlooks the fact that according to the proposal the particular device had already been developed and was described and labelled therein as "A Four-Stage Counter *With Nonvolatile MNOS Memory*" (CX12, R905 including footnote 8). In fact, Cricchi represented to the PTO in other patents (R1129-1155) filed June 24, 1970, coincident with the beginning of the critical period, that his MNOS memory transistors have nonvolatile (power-off) memory retentivity **"for substantially indefinite periods of time"** (e.g., R1136, Col. 3, lines 44-50).

Conclusion

Nowhere in his petition has Cricchi demonstrated any substantial reason or basis for granting rehearing. Moreover, this is a dispute involving solely the private interests of the litigants and there are no questions of general public interest or fundamental questions of law which otherwise justify a rehearing. Cricchi's petition should therefore be denied.

Respectfully submitted,

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